



# Treasury Notes

WISCONSIN OFFICE OF STATE TREASURER  
"KEEPING AN EYE ON YOUR MONEY"

Volume 2, Issue 2

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## On the Radio, TV and On the Road

Wisconsin State Treasurer Kurt Schuller can be heard in your car, seen on your TV and for some, coming to your house!

Radio commercials have been airing on the Wisconsin Radio Network since January and television commercials are running statewide on Charter and Time-Warner stations. But, the Treasurer is truly enjoying meeting with people who have claimed their money. He is, in some cases, hand delivering checks! He

was honored to meet Sandra Wimmer of Wausau and Vietnam Veteran David Coss of Wisconsin Rapids during a recent trip to those areas. WAOW Anchor/Reporter Dan Woodruff tagged along for a story! It will air in the Wausau television market Feb. 23rd.

You can hear the radio ad or watch the TV ad by visiting our YouTube Channel—TheWISateTreasury. Pictures from the TV shoot are on page 4 of this newsletter!



Treasurer Schuller with Sandra Wimmer of Wausau and WAOW Anchor/Reporter Daniel Woodruff

## The Big Board

### Local Gov. Investment Pool - Jan. 2012

\$3,216,888,565	January Balance
\$1,387,836,859	Total Deposits
\$855,535,163	Total Withdrawals
\$331,362	Interest Earnings

### College Savings Plan—January 2012

2,326	New Accounts
266,618	Total Accounts
\$2,772,461,292	Program Value

### Board of Commissioners of Public Lands (numbers approx) - January 2012

\$876,789,725	Assets or Principal
76,348	Acres under Stewardship
\$100.9 million	Aid to Public School (2008-2011)
	Libraries past 3 years

### Unclaimed Property (numbers approx.)

#### January 2012

\$413,609,468	Program Value
2,012,165	Number of Accounts
\$4,003,873	Claims Paid Jan. 2012
2,668	Claims Jan. 2012
\$4,003,873	Amount in Claims Paid
2,668	Number of Claims Paid (2012)
\$38,816,590	Amount Remitted from Holders (Oct. 2011-Feb. 2012)
7,140	Holder Reports (Oct. 2011-Feb. 2012)

T-Notes is a newsletter provided to Legislators, their staff and the Media to provide them with information regarding this office and the important work the staff of Office of State Treasurer does daily for the citizens of the state.

### The Economy and You: Prince Fielder and Opportunity Cost

The purpose of my articles is to provide a very basic overview of economic topics. It is my hope that these articles will help in the understanding of economics and how it affects many of the issues and policies we confront in our society today. To do this, I will be referring to basic concepts that are covered by economics instructors throughout our nation and the world. Many of the concepts touched upon will refer to textbooks authored by various economics professors like N. Gregory Mankiw, Karl Case, Ray Fair and Sharon Oster. To be clear, I am not claiming to be an economics professor. My intent is to take information written about economic topics and concepts and try and summarize them for simple understanding.

So why study economics? As economics is often defined, it is the study of how individuals and communities allocate scarce resources. The word to keep in mind is allocate, which means people make choices. Therefore, economics is a behavioral or social science.

So again, why study economics? One of the main reasons to study economics is to develop a new way of

thinking. There are basic concepts in economics that once learned help a person to observe and understand everyday choices with a whole new perspective. Economics explains fundamental concepts in decision making like opportunity cost, marginalism, and efficiencies.

Let's talk about opportunity cost. Opportunity cost is the alternatives we give up when we make a choice or decision. Almost all decisions involve trade-offs. The total "cost" of selecting a specific choice has to include what was given up by not choosing the next best alternative. The opportunity cost of going to college must include the income that would have been earned by working instead of going to school. The opportunity cost of watching television includes the time that could have been spent doing other things. From a society standpoint, the opportunity cost of purchasing more parkland would include other government goods and services that could have been purchased like a snow plow truck or another police officer.

These opportunity costs exist because resources are limited (scarce is the term most used). Time, which is one of our most important resources, is limited. Everyone has only 24 hours in a day, and must

decide what activities they want to do during that time. By doing so, people make decisions that have opportunity costs.

Opportunity costs are often easier to understand with a numerical example. So, in this example, I will use the Milwaukee Brewers and Prince Fielder. In 2011, the Brewers paid Fielder \$15.5 million. The \$15.5 million salary made up roughly 18% of the entire team payroll of \$85.5 million. At the end of last season, The Brewers decided that it was unlikely that they would be able to reach a contract agreement with Prince Fielder regarding salary. It was recently announced that Fielder and the Detroit Tigers came to an agreement that pays Fielder \$214 million over 9 years. This averages out to approximately \$24 million per year.

Major league teams have two important resources when signing players. The first resource is money. If the Brewers had signed Fielder at the \$214 million price tag, they would have had little left to sign other players. The money that is left from not signing Fielder is an opportunity cost. If the Brewer team payroll remained at \$85.5 million, Prince's salary would make up 28% of the entire team payroll.

Second, Major League Baseball allows only 25 spots on a team roster. If the Brewers had signed Prince to a \$214 million contract, the money remaining to hire players would most likely be insufficient to sign experienced players. It would be difficult to maintain the salaries for players like Ryan Braun, Zach Greinke, Corey Hart, and others with salaries well above \$5 million per year. This would leave the Brewers having to fill their roster with minor league players with little or no big league experience. Therefore, the opportunity cost of signing Prince Fielder would not only be the money unavailable to sign other players, but the cost of having to use less experienced players to fill the roster.

Whether the Brewers made the right decision, can always be argued, but the opportunity costs can be identified and quantified fairly easily.

**Do you follow our  
WordPress Blog?**

**Want to know more about  
economics, unclaimed  
property, college savings  
and state government?**

**[wistatetreasury.  
wordpress.com](http://wistatetreasury.wordpress.com)**

## Nearly \$700,000 for Wisconsin Veterans

In late November, more than 3,000 veterans started opening their mail and found a letter and claim form from the State Treasurer. The letters told each veteran they had money sitting in the unclaimed property fund waiting to be claimed. It asked the veteran to follow the instructions and send the claim form back to get their money.

**293 responded and have been paid more than \$76,000. But, that's less than 10% of the veterans who received the letter.**

When our office approached the Wisconsin Veterans Administration, they were

thrilled at the prospect of collaboration. We are talking about a lot of money just sitting here and not going to those American Heroes who fought for this country.

We are talking about nearly \$700,000 for 3,593 veterans!

On February 14th, Treasurer Schuller joined WDVA Secretary John Scocos at the Robert Cornelius VFW Post 7784 in Oneida. 3 veterans and the wife of veteran from the Green Bay Area arrived to receive their checks. The other checks have already been sent to veterans across the state.

We are urging veterans who received a claim from us to return them and get your money!



**Treasurer Schuller and WDVA Sec. Scocos present the check for veterans at the Robert Cornelius VFW Post 7784 in Oneida.**

## Give Me Five

“Give me a good reason to save for college in a 529 plan, such as *EdVest* or *Tomorrow's Scholar*?” That's a frequent question raised at college nights and other outreach events. Here are five benefits to get you thinking.

**Tax benefits.** Currently, investment growth is both federal and state income tax-free when used for qualified higher education expenses, unlike IRA and retirement accounts that are taxed at withdrawal. Plus Wisconsin residents (parents, grandparents, aunts, and uncles) may claim up to a \$3,000 income reduction on taxes for each beneficiary they are helping.

**Donor control.** The account owner is allowed to change

the beneficiary at any time, including naming himself/herself. In the event the account is closed, taxes are due plus a 10% withdrawal penalty.

**Family friendly.** If a child decides not to attend college for a while, or receives a scholarship, changing the beneficiary to another family member retains the tax advantages. Siblings, cousins, spouses, or most people around the Thanksgiving dinner table are eligible.

**Variety of investment choices.** 529 plans offer equity and bond mutual funds, money markets, and bank CD portfolios. Depending on one's risk tolerance or years to college, an investor

can pick from a range of options and make changes along the way. A popular choice is 'enrollment-based portfolios' where the investment mix automatically becomes more conservative as the student nears the college years.

**Easy enrollment.** Families can get started for \$15 a month and enroll in *EdVest* online at [www.edvest.com](http://www.edvest.com) or with the 24/7 call center at 1-888-338-3789. Those working with financial advisors should ask about the *Tomorrow's Scholar* plan.

State-sponsored plans offer more benefits regarding financial aid calculations, gifting, and graduate school according to Jim DiUlio, director of Wisconsin's 529 Col-

lege Savings Program. He recommends the multi-state site [www.collegesavings.org](http://www.collegesavings.org) for more information.

**Have you started saving for the future?  
Have you thought about going back to school?**

**[Edvest.com](http://Edvest.com)**







## Treasury Notes

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**WI State Treasurer**  
**Kurt Schuller**

**Wisconsin Unclaimed**  
**Property**

**EdVest, Wisconsin's**  
**College Savings Plan**

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**The WISateTreasury**

The State Treasurer is tasked with managing more than \$400 million in Unclaimed Property and is also a Commissioner on the Board of Commissioners of Public Lands. He is also an avid promoter of Wisconsin's College Savings Plans and the Local Government Investment Pool.

**Unclaimed Property:** The office maintains custody and records for all property received under the uniform unclaimed property act and general escheat laws. Those with unclaimed property submit proper paperwork and examiners work to get their money back to them as quickly as possible.

**Wisconsin's "529" College Savings Plan:** Known as EdVest. The funds are managed by Wells Fargo Funds Management, LLC. You can open an account on behalf of a designated beneficiary and the earnings will grow state and federal tax free until the time the beneficiary is ready to continue their post-secondary education including two and four-year colleges, technical, vocational, and graduate schools. Wisconsin residents can claim up to a \$3,000 credit on state taxes per account.

**The Local Government Investment Pool:** This program allows local government entities to pool funds with state funds which are then invested by the State of Wisconsin Investment Board. Funds deposited in the pool are available for withdrawal on one day's notice and without penalty on interest earnings. Interest is credited to the local government accounts monthly. Average daily balance in the pool now exceeds \$3.1 billion.

For questions about "Treasury Notes", please email Ron Giordan, Communications Director at [ron.giordan@wisconsin.gov](mailto:ron.giordan@wisconsin.gov) or call Ron at 608-266-5757.

## Commercial Shoot: Behind the Scenes



We'd like to thank our friends at Capitol City Coins and Jewelry for taking part in the commercial shoot.

Here are just a few behind the scenes shots of the commercial airing now across the state.

You can see on our YouTube Channel—The WISateTreasury. There's a quick link on our home page—[wismissingmoney.com](http://wismissingmoney.com).

